

Exhibit 48

In The Matter Of:

MBIA INSURANCE CORPORATION

v.

RESIDENTIAL FUNDING COMPANY, LLC

DORIAN G. WHEALDON - Vol. 1

June 7, 2011

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MERRILL CORPORATION

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DORIAN G. WHEALDON - 6/7/2011

Page 30	Page 32
<p>09:47:30 1 into the teams at that point. And I went 09:47:33 2 into the institutional team as an underwriter 09:47:37 3 from the audit area. The institutional team 09:47:46 4 was the team that dealt with the larger 09:47:48 5 companies that sold loans to RFC. I stayed 09:47:53 6 in underwriting until, I think, 2000, when I 09:47:58 7 went to client repurchase. 09:48:02 8 Q. Underwriting or audit? 09:48:03 9 A. Underwriting. I was only in the QC area 09:48:07 10 not -- maybe a year. 09:48:08 11 Q. About a year. Oh, so you went back to 09:48:11 12 underwriting around 1995? 09:48:13 13 A. Right. 09:48:13 14 Q. Okay. And, I'm sorry, when you went back 09:48:16 15 into underwriting what did you do? 09:48:17 16 A. Underwrote first mortgages, evaluated the 09:48:22 17 credit risk of the loans that the clients 09:48:24 18 were selling -- or trying to sell to 09:48:30 19 Residential Funding Corporation. 09:48:30 20 Q. Okay. And how long did you do that? 09:48:36 21 A. Until 2000. 09:48:38 22 Q. Okay. And then what? 09:48:40 23 A. I went into client repurchases. 09:48:44 24 Q. Okay. And what do you mean by, "Client 09:48:46 25 repurchases"?</p>	<p>09:50:32 1 A. Okay. 09:50:32 2 Q. Okay. I take it part of that time you were 09:50:38 3 in loan repurchase and maybe part of that 09:50:42 4 time you were investor -- in investor 09:50:44 5 repurchase? 09:50:45 6 A. Yeah. The -- from 2005 and 2006, that -- the 09:50:51 7 majority of that would be client repurchase. 09:50:53 8 Q. Client repurchase. Okay. When you were in 09:50:58 9 client repurchase in those years what was 09:51:02 10 your -- what was your job responsibility? 09:51:05 11 A. To look at what audit had found, to look at 09:51:12 12 the contract with the client, the guidelines 09:51:17 13 to see if they were an actual breach, if it 09:51:19 14 was something that was negotiated, and then 09:51:21 15 put it back to the client if there was a 09:51:23 16 breach of the reps and warrants. 09:51:25 17 Q. Okay. When you're referring to, 09:51:27 18 "Guidelines," in that context you're talking 09:51:28 19 about RFC's guidelines? 09:51:29 20 A. Yes. 09:51:30 21 Q. And those guidelines as reflected in what's 09:51:33 22 called the client guide? 09:51:35 23 A. Client guide, uh-huh. 09:51:38 24 Q. You've got to say -- 09:51:40 25 A. Yes.</p>
Page 31	Page 33
<p>09:48:47 1 A. Loans that were audited by the audit area 09:48:51 2 that was reformed and then sent to 09:48:54 3 repurchase, the repurchase area to go back to 09:48:58 4 the clients to request that they repurchase 09:49:01 5 the loan from RFC or the security due to a 09:49:04 6 breach of the reps and warrants that they 09:49:08 7 made to RFC. 09:49:17 8 Q. Okay. And how long did you do that job? 09:49:23 9 A. I did that until they formed the investor 09:49:26 10 repurchase portion under the -- the client 09:49:31 11 repurchase manager. And I don't know the 09:49:35 12 exact date. It was either the end of 2007 or 09:49:38 13 the first part -- or end of 2006 or the first 09:49:42 14 part of 2007, the -- that transferred from 09:49:46 15 what was structured finance to the repurchase 09:49:50 16 area. 09:49:56 17 Q. Okay. As we go through this if we see -- if 09:50:04 18 you see any documents that I show you that 09:50:06 19 can refresh your recollection as to when you 09:50:08 20 went into investor repurchase -- 09:50:11 21 A. Uh-huh. 09:50:12 22 Q. -- can you let me know? 09:50:13 23 A. Yes. 09:50:13 24 Q. Okay. All right. So let's -- let's focus on 09:50:28 25 the years 2005 to 2007.</p>	<p>09:51:41 1 Q. Okay. Did you have a title? 09:51:43 2 A. We were -- I was a senior repurchase account 09:51:46 3 manager, but that title changed numerous 09:51:50 4 times with restructuring. 09:51:53 5 Q. Okay. Who did you report to during those -- 09:51:56 6 that 2005, 2006 time frame when you were in 09:52:01 7 client repurchase? 09:52:05 8 A. Judy Dallman. 09:52:06 9 Q. What was her -- 09:52:08 10 A. She was the manager of the client repurchase 09:52:10 11 area. 09:52:16 12 Q. Did anyone report to you? 09:52:19 13 A. No. 09:52:20 14 Q. Were there other people in the client 09:52:21 15 repurchase area? 09:52:22 16 A. Yes. 09:52:22 17 Q. Okay. You don't have an organization chart 09:52:34 18 for this part of the -- of the company, so 09:52:35 19 I'm going to have to try to -- 09:52:35 20 A. Okay. 09:52:37 21 Q. -- figure out an organization chart. 09:52:39 22 What division or group was client 09:52:40 23 repurchase in? 09:52:42 24 A. They were under -- at that point -- I'm 09:52:46 25 not -- I don't remember who Judy reported to.</p>

9 (Pages 30 to 33)

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DORIAN G. WHEALDON - 6/7/2011

Page 50	Page 52
<p>10:12:10 1 repurchases, did you have any other 10:12:13 2 responsibilities between 2005 and the time 10:12:15 3 you went to investor repurchase? 10:12:17 4 A. No. 10:12:39 5 Q. Now, you mentioned that you would be involved 10:12:46 6 with client repurchases after you got -- 10:12:49 7 after the audit group audited the loans, is 10:12:54 8 that -- 10:12:54 9 A. Yes. 10:12:55 10 Q. Did I get that right? 10:12:58 11 A. Yes. 10:12:58 12 Q. All right. Once -- what -- once the audit 10:13:02 13 group had -- well, withdrawn. 10:13:05 14 Was the audit group in the same division 10:13:08 15 or group as client repurchase? 10:13:11 16 A. I'm not sure. 10:13:13 17 Q. The corporate -- in terms of the corporate 10:13:16 18 organizational chart, was audit in the same 10:13:20 19 sort of reporting line as client repurchase? 10:13:28 20 A. I know Will Thompson was the manager over the 10:13:36 21 audit group and he did report up to 10:13:38 22 Lisa Gess, but that's as far as I know. 10:13:42 23 Q. Okay. Okay. Once the -- once the audit 10:13:48 24 group made their findings with respect to a 10:13:52 25 particular loan, what would happen to that --</p>	<p>10:15:00 1 secured, I guess would be the word, look at 10:15:04 2 the loan file itself, look at if there was 10:15:09 3 any negotiated commitments -- pardon me -- 10:15:14 4 and whether it was an actual breach of the 10:15:16 5 reps and warrants or -- that they made to us 10:15:20 6 or not. 10:15:20 7 Q. Okay. And if it turns out that there was a 10:15:23 8 breach of the reps and warrants -- 10:15:24 9 A. Then we would request repurchase from the 10:15:27 10 client. 10:15:27 11 Q. Okay. Who made the determination as to 10:15:30 12 whether or not -- well, withdrawn. 10:15:33 13 I take it that by the time the loan gets 10:15:35 14 from audit to -- to the repurchase group, 10:15:41 15 audit had made -- reached a conclusion that 10:15:44 16 there was a breach of reps and warrants; is 10:15:46 17 that fair? 10:15:47 18 MS. BATTLE: Objection. 10:15:49 19 BY MR. HOFF: 10:15:49 20 Q. You can answer. 10:15:50 21 MS. BATTLE: You can answer. 10:15:51 22 THE WITNESS: Oh. No, I 10:15:52 23 wouldn't -- I wouldn't categorize it that 10:15:55 24 way. 10:15:55 25 MR. HOFF: Okay.</p>
Page 51	Page 53
<p>10:14:00 1 and assuming that they believed that the loan 10:14:03 2 should be repurchased, I take it they would 10:14:06 3 make a decision about whether the loan should 10:14:08 4 be repurchased? 10:14:08 5 MS. BATTLE: Objection to the form 10:14:09 6 of the question. 10:14:11 7 MR. HOFF: I'll withdraw that. 10:14:13 8 Let me try it again. 10:14:14 9 BY MR. HOFF: 10:14:15 10 Q. Did -- when audit reviewed -- audited the 10:14:18 11 loans, did audit reach some conclusion with 10:14:21 12 respect to whether the loan should be 10:14:23 13 repurchased? 10:14:24 14 A. Yes. 10:14:24 15 Q. All right. And what would happen after audit 10:14:35 16 made that determination? 10:14:37 17 A. They would send it over to the repurchase 10:14:40 18 area. 10:14:40 19 Q. Okay. And was -- was that a final decision 10:14:45 20 by audit and then the repurchase people were 10:14:50 21 just going to process? 10:14:51 22 A. No. 10:14:51 23 Q. All right. What would happen -- can you 10:14:53 24 describe the procedure for me? 10:14:55 25 A. You'd review the documentation that audit</p>	<p>10:15:56 1 BY MR. HOFF: 10:15:56 2 Q. How would you -- how would you describe it? 10:15:58 3 A. Audit always looked to just the client guide. 10:16:00 4 They didn't always necessarily look to what 10:16:03 5 commitments we had outstanding with that 10:16:11 6 client and the materiality, so sometimes they 10:16:16 7 were overturned and we would not pursue a 10:16:22 8 repurchase. 10:16:24 9 Q. Okay. And who would make the ultimate 10:16:31 10 decision as to whether a repurchase should be 10:16:34 11 pursued? 10:16:34 12 A. The repurchase account manager. 10:16:37 13 Q. Okay. So for the -- the accounts that you 10:16:38 14 were responsible for, you would make the 10:16:39 15 final determination? 10:16:40 16 A. Right. 10:16:40 17 Q. Did someone have to approve your 10:16:43 18 determination? 10:16:44 19 A. No. 10:16:44 20 Q. And that would go -- that would be the same 10:16:46 21 for the other senior and other regular 10:16:48 22 repurchase managers? 10:16:49 23 A. Yes. 10:16:49 24 Q. Okay. So if the regular -- the non-senior 10:16:53 25 repurchase managers made a determination as</p>

14 (Pages 50 to 53)

CONFIDENTIAL
DORIAN G. WHEALDON - 6/7/2011

Page 54	Page 56
<p>10:16:57 1 to whether or not a repurchase should occur, 10:17:05 2 there wasn't any -- the senior people didn't 10:17:07 3 have to review that decision? 10:17:08 4 A. Initially when they first started in the area 10:17:11 5 we would review their decisions and -- for 10:17:16 6 training to make sure that they were doing it 10:17:18 7 properly. 10:17:19 8 Q. Okay. But once -- that's a -- that's more of 10:17:22 9 a quality control issue, correct? 10:17:23 10 A. Right. 10:17:24 11 Q. So once you felt the -- the senior managers 10:17:27 12 felt that these people were trained, they had 10:17:30 13 the -- they had the final call, so to speak, 10:17:32 14 on the repurchase decision? 10:17:33 15 A. Yes. That's what the position was. 10:17:35 16 Q. Okay. Was there any circumstance where 10:17:40 17 someone senior to the repurchase managers and 10:17:43 18 senior repurchase managers would weigh in on a 10:17:48 19 repurchase decision? 10:17:50 20 MS. BATTLE: Objection to the 10:17:51 21 form. 10:17:51 22 THE WITNESS: If you needed -- you 10:17:54 23 know, if you weren't sure about something you 10:17:57 24 could go to the manager or someone else for 10:18:00 25 instruction or debate. But on a normal</p>	<p>10:19:30 1 warranty where RFC would seek a client 10:19:33 2 repurchase from a loan seller who sold a loan 10:19:36 3 to RFC? 10:19:37 4 A. No. 10:19:38 5 Q. Okay. Now, you mentioned two circumstances 10:19:47 6 under which a repurchase manager may overrule 10:19:55 7 a -- an audit recommendation for repurchase, 10:20:02 8 negotiated commitments and materiality, was 10:20:06 9 that a fair characterization? 10:20:09 10 A. Yes. 10:20:09 11 Q. Were there any other circumstances under 10:20:12 12 which the repurchase manager would overrule a 10:20:18 13 repurchase recommendation by audit? 10:20:23 14 A. Not that I can think of. 10:20:25 15 Q. Okay. When you reviewed the -- the -- the 10:20:43 16 loans, did you do a -- your own audit of 10:20:46 17 those loans? 10:20:48 18 MS. BATTLE: Objection to the 10:20:48 19 form. 10:20:50 20 THE WITNESS: No. 10:20:51 21 MR. HOFF: Okay. 10:20:52 22 BY MR. HOFF: 10:20:53 23 Q. Would it be fair to say that you just 10:20:54 24 reviewed the file that -- the -- withdrawn. 10:20:59 25 Would it be fair to say that you -- your</p>
Page 55	Page 57
<p>10:18:08 1 process, no. 10:18:13 2 MR. HOFF: Okay. 10:18:13 3 BY MR. HOFF: 10:18:14 4 Q. Other than breaches of representations and 10:18:15 5 warranties, were there any other 10:18:17 6 circumstances under which RFC would request 10:18:23 7 that a loan seller repurchase a loan? 10:18:28 8 A. We did start early payment default 10:18:32 9 repurchases, that might have been 2007, but 10:18:41 10 I'm thinking it actually may have been 2008. 10:18:44 11 Q. Okay. Was -- were you in -- at the time that 10:18:49 12 the early payment default repurchases started 10:18:53 13 were you still in client repurchase? 10:18:59 14 A. I don't recall. 10:19:00 15 Q. Okay. And are you saying that the early 10:19:06 16 payment default repurchase requests were not 10:19:10 17 based upon a breach of representations and 10:19:13 18 warranties? 10:19:14 19 A. That was -- pardon me -- that was a 10:19:17 20 representation and warranty. 10:19:18 21 Q. Okay. Okay. I just want to be clear. What 10:19:21 22 I tried to ask you -- 10:19:23 23 A. Oh, I'm sorry. 10:19:24 24 Q. -- was whether there were any circumstances 10:19:28 25 other than a breach of a representation or</p>	<p>10:21:01 1 procedure was to review the analysis done by 10:21:04 2 the auditor and then check to see if there 10:21:07 3 were any separate agreements that RFC had 10:21:13 4 with the particular loan seller? 10:21:15 5 A. Yes. 10:21:16 6 Q. Okay. Were there occasions where you would 10:21:20 7 obtain additional information that was not in 10:21:24 8 the auditor's analysis? 10:21:27 9 A. Yes. 10:21:28 10 Q. Can you describe the circumstances under 10:21:30 11 which that would happen? 10:21:31 12 A. We would look at servicing notes to see if we 10:21:35 13 could find out what the reason was for 10:21:37 14 default if there was a default, to see if 10:21:42 15 the -- a BPO had been done to support or not 10:21:46 16 support the value. Any other questions we 10:21:52 17 usually took back to audit to do additional 10:21:55 18 research themselves. 10:21:59 19 Q. Okay. You mentioned a BPO. What is that? 10:22:04 20 A. Broker's price opinion. 10:22:06 21 Q. Okay. And where would you get a BPO? 10:22:11 22 A. The servicing area obtained BPO's when the 10:22:14 23 loan went into foreclosure. 10:22:16 24 Q. And what exactly is a BPO? What is it, 10:22:21 25 broker's price --</p>

15 (Pages 54 to 57)

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Page 58	Page 60
<p>10:22:23 1 A. Price opinion. It's just a broker familiar 10:22:24 2 with the area. I don't even know if they do 10:22:29 3 more than a drive-by. Sometimes there were 10:22:32 4 interior BPO's done and try to determine what 10:22:34 5 the current value of the property was. 10:22:34 6 Q. It's -- 10:22:37 7 A. It's just an opinion of value. 10:22:40 8 Q. Well, is it an appraisal? 10:22:42 9 A. No. 10:22:43 10 Q. Okay. Because an appraisal is also an 10:22:45 11 opinion of value, right? 10:22:46 12 A. A more detailed opinion of value. 10:22:49 13 Q. So how would you get the BPO? How would RFC 10:22:55 14 obtain a BPO? 10:22:56 15 A. The servicing area would obtain the BPO and 10:23:00 16 we could request a copy. 10:23:01 17 Q. Okay. And you said you looked at servicing 10:23:04 18 notes? 10:23:04 19 A. Yes. 10:23:05 20 Q. What -- when you say, "Servicing," what are 10:23:08 21 you referring to? 10:23:09 22 A. The actual collection of the payments. 10:23:13 23 There's an area that services the loan, 10:23:17 24 brings in the money, disburses the money out 10:23:19 25 to whoever it needs to be disbursed to and</p>	<p>10:24:18 1 A. Through the computer. 10:24:21 2 Q. Was there a particular file or program that 10:24:25 3 you utilized? 10:24:26 4 A. It was called LSAM and Capstead. 10:24:29 5 Q. Can you spell that? 10:24:31 6 A. Just the initials, L-S-A-M, and Capstead, 10:24:36 7 C-A-P-S-T-E-A-D. 10:24:40 8 Q. Okay. Were those two different databases? 10:24:43 9 A. They were kind of integrated. At one point 10:24:46 10 they were separate and I think they were 10:24:47 11 integrated into one. 10:24:48 12 Q. Okay. 10:24:49 13 A. Pardon me. 10:24:49 14 Q. And there was just some icon on your computer 10:24:55 15 you could go to? 10:24:56 16 A. Yes. 10:24:56 17 Q. Okay. And you just clicked onto that and -- 10:25:00 18 A. And entered a password. 10:25:01 19 Q. And entered a password and then you would try 10:25:04 20 to search for a loan number? 10:25:09 21 A. Uh-huh. 10:25:09 22 Q. And what type of information were in the 10:25:12 23 servicing loans? 10:25:13 24 A. There would be payment history of the loan 10:25:15 25 itself, any contact they had with the</p>
Page 59	Page 61
<p>10:23:25 1 they're in contact with the borrowers during 10:23:27 2 the process if there's reason to be in 10:23:29 3 contact with the borrowers. 10:23:30 4 Q. Okay. And so there was -- just so we're 10:23:35 5 clear, within RFC was there a -- a group or a 10:23:39 6 unit that was responsible for servicing a 10:23:41 7 loan? 10:23:41 8 A. Yes. 10:23:42 9 Q. And that's the group that you would get 10:23:45 10 that -- that information from? 10:23:47 11 A. Right. 10:23:47 12 Q. Okay. And when you refer to servicing notes, 10:23:50 13 what are you talking about? 10:23:51 14 A. Notes that they make into the servicing 10:23:54 15 system regarding conversations that they had 10:23:57 16 or what's been going on with the loan -- the 10:24:00 17 loan itself, not the loan file. 10:24:02 18 Q. Okay. So there was some -- some kind of 10:24:05 19 database that -- in which the servicing group 10:24:09 20 would enter information about the status of 10:24:12 21 the loan? 10:24:13 22 A. Yes. 10:24:13 23 Q. And you had direct access to that? 10:24:16 24 A. Yes. 10:24:17 25 Q. How did you access that?</p>	<p>10:25:18 1 borrower, who the foreclosure attorney was if 10:25:22 2 it was in foreclosure, when it went to sale, 10:25:24 3 if it sold, if it was a short sale. Anything 10:25:28 4 to do with the loan itself, the... 10:25:32 5 Q. Okay. Did you -- and did you actually talk 10:25:35 6 to people in the servicing group or you just 10:25:37 7 relied on the notes? 10:25:39 8 A. We did talk to them, but usually not about a 10:25:46 9 specific loan. 10:25:47 10 Q. Okay. The servicing group was located in 10:25:51 11 Dallas? 10:25:52 12 A. The people that we usually talked to were in 10:25:56 13 master servicing and they were in California. 10:25:59 14 Q. Okay. Where in California? 10:26:01 15 A. Universal City. 10:26:03 16 Q. Okay. Interesting. If you've been to 10:26:13 17 Universal City you'd understand my reaction. 10:26:18 18 That's where Universal Studios is. 10:26:21 19 A. Oh, okay. 10:26:22 20 Q. And when I -- you know, when I asked you 10:26:28 21 about your procedure for reviewing loans from 10:26:31 22 QA and you said you reviewed what they did, 10:26:35 23 but didn't audit, was that similar to the 10:26:38 24 procedure that the other senior product -- 10:26:41 25 senior repurchase managers and the regular</p>

16 (Pages 58 to 61)

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Page 122	Page 124
<p>12:02:51 1 they reported to -- no, I think they reported 12:02:55 2 to Brenda Maze, that looked at fraudulent 12:03:03 3 loans. 12:03:03 4 Q. You mean fraud committed by borrowers or the 12:03:07 5 lenders -- or the sellers, rather? 12:03:10 6 A. Committed by anyone. 12:03:11 7 Q. By anyone. Okay. 12:03:12 8 A. There was some condominiums in Chicago or 12:03:15 9 something. I don't know. 12:03:16 10 Q. Okay. So Mr. Johnson says to Suzanne Li, "It 12:03:20 11 has come to my attention that Tim Witten and 12:03:23 12 group put together a thorough analysis of a 12:03:25 13 large group of repurchased loans in the past 12:03:27 14 few days, perhaps it will include loan level 12:03:29 15 comments for some of the loans on this list?" 12:03:31 16 That's a question. Do you see that? 12:03:32 17 A. Yes. 12:03:33 18 Q. Okay. Do you know who Tim Witten is? 12:03:37 19 A. I know the name, but I don't know what his 12:03:40 20 position was. 12:03:40 21 Q. Okay. In looking at the -- this e-mail and 12:03:47 22 the -- the memo in the back that was authored 12:03:50 23 by Ms. Dallman and Mr. Witten, does that 12:03:53 24 refresh your recollection that there was an 12:03:58 25 analysis done relating to an increase in</p>	<p>12:05:17 1 about the 85 percent? 12:05:18 2 A. I cannot address the percentage. 12:05:20 3 Q. Is it -- the large majority of loans -- 12:05:25 4 A. I would say the majority came from there, but 12:05:27 5 I don't know what the percentage is. 12:05:28 6 Q. Okay. And the last sentence of that first 12:05:32 7 paragraph says that, "The predominant 12:05:34 8 findings are related to misrepresentations of 12:05:36 9 loan level information, i.e., employment, 12:05:40 10 income, occupancy, undisclosed debt and 12:05:43 11 appraised value." Do you see that? 12:05:44 12 A. Yes. 12:05:44 13 Q. Is that conclusion consistent with your 12:05:47 14 recollection of the predominant types of 12:05:49 15 findings that audit was making with respect 12:05:55 16 to loans being recommended for repurchase in 12:05:59 17 the late 2006 time frame? 12:06:03 18 A. Yes, that would appear to be correct. 12:06:57 19 Q. On the second page of the memo with the last 12:07:00 20 three Bates numbers 836, in the -- there's 12:07:05 21 a -- there's a section under the first box 12:07:10 22 called, "Repurchase ended, no longer being 12:07:15 23 pursued." Do you see that? 12:07:16 24 A. Yes. 12:07:16 25 Q. Now, were there circumstances where there --</p>
Page 123	Page 125
<p>12:04:02 1 loans subject to repurchase? 12:04:05 2 A. I was not involved in the analysis and I -- I 12:04:09 3 have no recollection. 12:04:11 4 Q. Okay. 12:04:11 5 A. You would probably need to ask Judy Dallman. 12:04:14 6 Q. I intend to and I just want to know what you 12:04:17 7 know. 12:04:18 8 A. Sure. 12:04:18 9 Q. Okay. Now, taking a look at the -- the memo 12:04:26 10 itself, the Dallman, Witten memo -- 12:04:30 11 A. Okay. 12:04:30 12 Q. -- did you have -- do you recall having any 12:04:38 13 involvement in -- in the analysis that was 12:04:42 14 done relating to this memo? 12:04:44 15 A. No, I do not recall -- 12:04:46 16 Q. Okay. 12:04:47 17 A. -- being involved in this. 12:04:48 18 Q. Okay. In the first paragraph of the memo 12:05:00 19 Ms. Dallman and Mr. Witten indicate 12:05:04 20 that 85 percent of the referrals for loan 12:05:08 21 repurchase come from the -- either the 12:05:11 22 quality audit or the quality investigations 12:05:13 23 groups. Do you see that? 12:05:14 24 A. Yes. 12:05:14 25 Q. Is that consistent with your understanding</p>	<p>12:07:21 1 well, do you know -- do you understand what 12:07:22 2 she's referring to by, "Repurchase ended, no 12:07:25 3 longer being pursued"? 12:07:27 4 A. Yes. 12:07:27 5 Q. What does that mean? 12:07:28 6 A. That means that for a number of different 12:07:31 7 reasons that the client repurchase is not 12:07:34 8 being pursued, it probably was rescinded. 12:07:37 9 Q. Okay. Is that a situation where the 12:07:42 10 repurchase managers would agree with an audit 12:07:46 11 recommendation for repurchase, but for 12:07:49 12 whatever reason the effort to seek repurchase 12:07:56 13 terminated? 12:08:00 14 A. Okay. I'm confused by your question. 12:08:03 15 Q. Okay. I'm trying -- here, let me try it 12:08:07 16 again. I'm trying to understand whether 12:08:09 17 this, "Repurchase ended, no longer being 12:08:11 18 pursued," refers to a situation where audit 12:08:14 19 recommended repurchase and the repurchase 12:08:16 20 manager overruled or whether it's a situation 12:08:19 21 where the repurchase manager agreed with the 12:08:23 22 repurchase recommendation, but for whatever 12:08:26 23 reason the repurchase never was followed 12:08:29 24 through. 12:08:31 25 A. No, it -- it would not be that it wasn't</p>

32 (Pages 122 to 125)

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Page 126		Page 128	
12:08:35 1	followed through. Normally what would have	12:10:52 1	A. We never just didn't pursue because we liked
12:08:37 2	happened was a repurchase request went to the	12:10:56 2	the client. That to me would be the
12:08:40 3	client, the client may have provided	12:10:59 3	accommodation.
12:08:42 4	additional documentation that alleviated the	12:11:00 4	Q. Okay.
12:08:45 5	concern and the repurchase would be	12:11:01 5	A. A negotiation where we asked for a number of
12:08:47 6	rescinded. It could be that there was a	12:11:05 6	repurchases and based on financials provided
12:08:50 7	settlement made with them where we	12:11:10 7	from the client that, you know, we would
12:08:54 8	repurchased -- they repurchased so many, we	12:11:13 8	bankrupt them if they repurchased all of
12:08:57 9	offset with so many. There were negotiations	12:11:15 9	them, maybe it's a settlement over time or a
12:09:01 10	that also went on.	12:11:18 10	payment over time, there would be
12:09:02 11	Q. Okay.	12:11:20 11	negotiations with that client. I don't
12:09:03 12	A. I don't know under what context she's	12:11:22 12	really consider that an accommodation.
12:09:07 13	reporting this, so I don't know what she's	12:11:24 13	Q. Okay. Were there circumstances where the
12:09:11 14	including in her numbers.	12:11:32 14	loans would be repriced to reflect the -- the
12:09:13 15	Q. Okay. But --	12:11:41 15	deviation from the -- the terms under which
12:09:17 16	A. It kind of says here.	12:11:43 16	RFC bought the loan?
12:09:18 17	Q. Okay. But do you understand this to not take	12:11:46 17	A. That could happen. I don't know that it
12:09:22 18	into -- withdrawn.	12:11:49 18	could happen on a large basis. But in
12:09:23 19	Do you understand what she's referring to	12:11:52 19	general that -- that may happen.
12:09:24 20	here as being a situation where the	12:11:54 20	Q. Okay. If you look at the -- in the box on
12:09:27 21	repurchase management agreed with the	12:11:57 21	the first line under, "Issues resolved," it
12:09:32 22	repurchase recommendation of audit in the	12:11:59 22	says --
12:09:35 23	first instance as opposed to overruling the	12:12:00 23	A. Right.
12:09:39 24	repurchase recommendation?	12:12:00 24	Q. -- one of the -- one of the -- one of the
12:09:43 25	A. She probably could answer it better. But	12:12:05 25	reasons for resolution of the -- the
Page 127		Page 129	
12:09:46 1	just reading this, it would look like they	12:12:10 1	repurchase request was repriced. Do you see
12:09:55 2	were ones pursued and a decision later made	12:12:13 2	that?
12:09:59 3	not to -- like, "Seller out of business,"	12:12:13 3	A. Yes.
12:10:01 4	there's no one to pursue. "Client	12:12:14 4	Q. And that means that -- is that -- did you
12:10:03 5	accommodation," would be where we may have	12:12:17 5	understand that to mean that the -- that the
12:10:06 6	entered into some negotiations to split	12:12:19 6	loans were repriced -- the loans that were a
12:10:08 7	losses, whatever. "Pay off," is	12:12:23 7	deviations from the -- from the terms under
12:10:11 8	self-explanatory. So I don't know what all	12:12:25 8	which RFC bought the loan, were repriced to
12:10:14 9	she took into consideration to do this.	12:12:28 9	reflect the risk of that determination -- of
12:10:16 10	Q. Okay. Well, let's talk about client	12:12:30 10	that deviation, rather?
12:10:18 11	accommodations. I had asked you earlier if	12:12:33 11	A. Again, I can't -- that would be my
12:10:20 12	you recalled any situation where a repurchase	12:12:36 12	understanding, but I have no idea what
12:10:29 13	determination that was made by the repurchase	12:12:39 13	context she was using.
12:10:31 14	manager was not completed because of	12:12:40 14	Q. Okay. But in your experience that happened?
12:10:38 15	considerations for client accommodations. Do	12:12:42 15	A. On a limited basis.
12:10:41 16	you recall that?	12:12:43 16	Q. Okay. And how do you know it was on a
12:10:41 17	MS. BATTLE: Objection. That	12:12:47 17	limited basis?
12:10:42 18	wasn't what you asked her before.	12:12:47 18	A. I guess just from the ones that I was
12:10:44 19	BY MR. HOFF:	12:12:50 19	involved in.
12:10:45 20	Q. You can answer.	12:12:50 20	Q. Okay. That raises a good question.
12:10:46 21	A. I think it's terminology.	12:12:54 21	Did you have any understanding as to what
12:10:48 22	Q. Okay.	12:12:57 22	the -- what repurchase activities were being
12:10:48 23	A. I would call it a negotiation and not an	12:13:04 23	undertaken by the other repurchase managers
12:10:51 24	accommodation.	12:13:07 24	in the group?
12:10:51 25	Q. Uh-huh.	12:13:08 25	A. No.

33 (Pages 126 to 129)

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